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H.R.H. 7.

MEMORANDUM FOR: Acting Comptroller

FROM : Chief, Technical Accounting Staff

SUBJECT : Incorporate Policies of Reference (1) in Agency Regulation

REFERENCE : (1) Bureau of the Budget Circular No. A-21, dated 10 September 1958; Subject: Principles for costing research and development under grants and contracts with educational institutions

*Handwritten:* returned to C/TAS 1/29/59

(2) Memorandum to Director of Bureau of the Budget from Deputy Director (Support) dated 19 November 1958

1. On 22 September 1958 a copy of reference (1) was referred to TAS with the request that consideration be given to the advisability of arranging for incorporation of policies set forth in this reference in Agency regulations.

2. This matter has been discussed with representatives of the Office of Logistics and the Industrial Contract Audit Branch and it has been concluded that, as indicated in reference (2), in practical effect the Agency will implement reference (1) by following the Armed Services Procurement Regulations in negotiating contracts. Since it is the Agency's practice to follow the Defense Department Armed Services Procurement Regulations in negotiating contracts and since such Regulations include the specific principles set forth in reference (1), there is believed no necessity to incorporate the detailed statement of principles in Agency regulations.

3. Reference (1) also was referred to the Office of Personnel with the request that this Office be advised as to whether the issuance of an Agency regulation relative thereto would be advisable based upon types of contracts executed by that Office. Under date of 19 December 1958 the Executive Officer of the Office of Personnel advised by memorandum that the Office of Personnel does not have any arrangements involving research and development contracts with educational institutions and feels no need for the issuance of Agency regulations to implement reference (1).



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